GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2647
ANSWERED ON:09.12.2005
WIDENING SERVICE TAX
Surendran Shri Chengara

Will the Minister of FINANCE be pleased to state:

(a) the amount collected as service from the year of its inception, year-wise, item-wise up to November,2005;

(b) whether the government propose to further widen tax base;

(c) if so, the details of services so far covered under the service tax net and additional services which are proposed to be included under the net;

(d) whether the government propose to strengthen the service tax rules to ensure strict compliance of the rules; and

(e) if so, the detals thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) the levy of service tax was introduced in the budget, 1994. Revenue collected as service tax (all India) year-wise and service-wise since 1994 and up to the financial year 2004-05 is placed as Annexure A. For the financial year 2005-06 service-wisedata is available for the period April to October, 2005 in respect of twenty major revenue paying services and the same is placed as Annexure B.

(b)and(c) It is the stated policy of the government to improve the tax to GDP ratio and to widen the tax base. At present, service tax is leviable on eighty four services specified in section 65(105) of the Finance Act, 1994.

(d)and(e) Appropriate steps are being taken to improve the compliance level of service tax payment.

ANNEXURE A

SERVICE TAX: Year Wise & Service Wise Revenue Collection
(Rs in Crore)

S. No	Service liable to tax	1994-95	95-96	96-97	97-98	98-99	99-00	2000-01	01-02	02-03	03-04	04-05
1.	Tax on telephone billing	210	511.0	596.5	686.4	875.7	1025.8	1087.2	1522.1	1575.5	2672.5	3934.4
2.	Tax on General Insurance Premium	173.0	310.0	354.0	379.5	425.0	369.0	473.0	553.7	644.5	1039.6	1260.5
3.	Tax on stock bro-kerage commission	36.0	41.0	49.6	55.5	69.8	329.5	282.2	84.9	101.2	250.1	375.9
4.	Adverti sing ser-vices			2.2	85.6	94.2	76.7	110.5	161.2	174.7	226.6	351.8
5.	Consult-ing Engineer Services			35.5	88.1	60.6	97.2	107.4	148.2	282.4	469.7	
6.	Courier Services			18.7	43.0	48.1	70.8	110.4	117.1	127.2	228.1	391.5
7.	Air Travel age-nt services	21.5	39.0	28.6	42.9	50.4	51.5	87.2	157.8			
8.	Manage-ment cons-ultant services			4.5	20.1	42.2	52.9	65.5	123.2	208.1		
9.	Clearing and Forwar-ding Agent Services				16.7	39.1	21.0	52.2	55.5	59.1	116.7	178.1
10.	Security/ Detective Agency Services					5.6	19.5	37.4	44.0	62.1	118.6	200.1
11.	Customs House Agent Services				16.3	25.4	19.6	23.1	32.1	32.7	60.4	97.3
12.	Mandap Keeper Services				15.1	24.6	25.0	41.8	50.9	35.1	53.5	112.0
13.	Charter-ed Account-ant Services					2.9	13.7	37.1	65.3	74.6	114.3	187.9
14.	Architect Services					1.4	5.6	15.2	19.2	22.1	36.6	74.1
15.	Steamer Agent Services				12.3	18.6	12.4	13.9	12.2	12.4	32.1	34.2
16.	Radio Paging services		14.9	8.5	13.3	23.0	68.8	4.5	6.3	3.1	3.4	
17.	Man Power Recruitment Services				4.2	8.7	8.3	12.7	14.3	20.5	38.8	64.4
18.	Market Research Agency Services	2.2	4.3	9.5	11.8	14.5	22.5	31.4				
19.	Real Es-tate Agent/ consultant Services	1.0	3.7	7.8	9.8	11.4	29.1	85.1				
20.	Rent A Cab Scheme Operator Services	1.2	2.5	0.3	7.1	11.4	15.4	28.7	53.1			
21.	tour Op-erator Ser-vices	7.8	4.3	0.3	8.2	14.8	12.5	31.0	43.2			
22.	Credit Rating Agency Services	0.6	1.8	2.6	3.8	11.3	11.4	11.6				
23.	Interior Decoration/						1.3	1.9	2.1	4.9	6.2	11.3

Designer Services							
24.Underwriter Services	0.3	1.8	2.3	2.5	2.2	1.1	
25.cost Accountant Services	0.3	0.4	0.4	1.2	1.1	1.9	
26.company Secretary Services	0.5	0.2	0.5	3.1	5.2	8.0	
27.Scientific & Technical consultancy Services	4.4	15.1	29.0	73.4			
28.Photographic Services	12.0	31.8	48.6	71.0			
29.Convention Services	1.6	4.7	8.2	17.0			
30.Leased Circuit Services	18.2	36.7	77.2	135.1			
31.Telegraphic Services					9.2	4.5	23.3	97.1
32.Telex Services	0.5	2.9	5.4	3.8			
33.Facsimile Services	0.6	0.7	0.7	1.7			
34.Online Information & Database access Service &/ or retrieval service	14.4	40.5	67.1	98.7			
35.Video Tape Production Services	2.8	8.1	11.8	21.2			
36.Sound Recording Services	0.8	5.9	12.5	9.3			
37.Broadcasting Services	13.4	90.5	177.6	273.0			
38.Insurance Auxillary Service	34.7	104.8	283.3	713.3			
39.Banking and other Financial Service	63.3	174.6	307.5	1046.8			
40.Port Service	96.0	194.5	359.5	610.7			
41.Service or repair produce by authorized service station for motor car & two wheeled motor vehicle	18.5	50.6	79.5	147.8			
42.Insurance auxilary Service relating to life insurance	23.5	324.5	295.7				
43.Cargo handling (only inland cargo)	10.5	39.1	95.1				
44.Storage and warehousing services (except for agriculture produce and cold storage)	9.7	53.3	92.6				
45.Event Management	2.3	17.5	33.7				
46.Rail travel agent	0.7	2.6	4.2				
47.Health club & fitness Centres	2.2	11.0	20.4				
48.Beauty parlours	2.6	7.7	17.9				
49.Fashion designers	0.5	1.5	8.1				
50.Cable Operators	7.6	45.0	75.2				
51.Dry cleaning services						0.9	4.1	11.1
52.commercial training or coaching							29.9	109.8
53.Technical testing & analysis; technical inspection and certification	29.1	106.0						
54.Maintenance or repair	91.4	342.4						
55.comissioning and installation	24.0	137.5						

56.Business auxiliary Service 50.2 527.2

57.Internet cafe 4.0 14.9

58.Franchise Service 5.6 19.0

59.Business exhibition services 10.2

60.Transport of goods by road 172.8

61.Airport Services 58.6

62.Transport of goods by air 32.1

63.Survey & Exploration of Minerals 6.5

64.Opinion Poll Servi-ces 0.4

65.Intelle-ctual prop-erty Serv-ices other than copy-right 12.7

66.forward contract services 5.1

67.Tv or radio Prog-ramme serv-ices 4.7

68.Constr-uction ser-vices in respect of commercial Industrial Buildings or civil Structures 86.0

69.Travel Agents 2.8

70.Pandal or shamia-na services 19.3

71.Outdoor Catering 14.6

72.Other Services since withdrawn (Arrear Payments) 66.0 80.0 16.0 25.0 7.5 6.0 38.2 5.2

73.Cess on Educations 186.9

Total 419.0 862.0 1035.9 1455.1 1874.6 2158.0 2612.1 3301.9 4122.2 7890.7 14196.2

ANNEXURE B

SERVICE TAX REVENUE COLLECTION FROM MAJOR SERVICES

(Rs. In Crores)

S.No.	SERVICE	Revenue Collected 2004-05 April-October TR6	Revenue Collected 2005-06 April-October TR6	%age Excess/Short TR6
1	2	3	4	5
1	TELEPHONE SERVICES	1920.87	2152.92	12.08
2	GENERAL INSURANCE BUSINESS	695.09	976.36	40.47
3	PORT SERVICES	291.45	482.02	65.39
4	LIFE INSURANCE SERVICES	209.56	68.82	-67.16
5	BANKING & OTHER FINANCIAL SERVICES	247.07	912.39	269.29
6	CONSULTING ENGINEERING	214.43	304.79	42.14
7	STOCK BROKER	147.91	361.56	144.45
8	ADVERTISING AGENCY	148.23	206.85	39.54
9	INSURANCE AUXILIARY	147.90	439.56	197.20
10	COURIER AGENCY	155.64	134.47	-13.60
11	BROADCASTING SERVICES	142.63	191.72	34.41
12	SECURITY AGENCIES	92.53	136.53	47.55
13	MANAGEMENT CONSULTANTS	92.32	158.33	71.51
14	CLEARING AND FORWARDING AGENCY	69.34	97.42	40.49
15	CHARTERED ACCOUNTANCY	91.83	86.15	-6.19
16	MAINTENANCE OR REPAIRS	148.80	338.39	127.41
17	LEASED CIRCUITS	87.65	167.03	90.57
18	AIR TRAVEL AGENT	68.43	84.43	23.37
19	SERVICING OF MOTOR VEHICLE	59.63	78.86	32.24
20	ONLINE INFORMATION &	72.21	68.10	-5.70

DATABASE

21	OTHER SERVICES	861.16	2838.18	229.58
22	TOTAL	5964.68	10284.87	72.43
23	REFUNDS	0.17	1.53	
24	NET REVENUE	5964.52	10283.33	72.41

Revenue in respect of Meerut-II, Noida, Ludhiana, Mangalore, vishakhapatnam-I, Madurai and Tiruchirapalli are provisional
FORWARDING AGENCY